GOVERNMENT OF INDIA
PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS
LOK SABHA

UNSTARRED QUESTION NO:1529
ANSWERED ON:13.03.2002
VOLUNTARY RETIREMENT SCHEME
AJAY CHAKRABORTY;AJAY SINGH CHAUTALA;ANANTA NAYAK;ASHOK KUMAR PATEL;PADAMSEN CHAUDHARY;PATY RIPPLE KYNDIAH;RAVINDRA KUMAR PANDEY;RUDRAGOUDA PATIL;SULTAN SALAHUDDIN OWAISI

Will the Minister of PERSONNEL,PUBLIC GRIEVANCES AND PENSIONS be pleased to state:

(a) whether the Government propose to introduce a new VRS to its employees;

(b) if so, the details thereof and the date from which it would be made effective;

(c) the number of employees identified so far as surplus in each Ministry/Department, category-wise;

(d) the number of employees in each category likely to be covered under the VRS during 2002-2003 and the criteria adopted by the Government for the same;

(e) whether this scheme will also be applicable to railways and defence personnel;

(f) if so, the details thereof;

(g) whether the Government also propose to reduce the retirement age of its employees keeping in view the down sized bureaucracy as a result of introduction of new Voluntary Retirement Scheme; and

(h) if so, the details thereof?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF SMALL SCALE INDUSTRIES, MINISTER OF STATE IN THE MINIS PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS, MINISTER OF STATE IN THE MINISTRY OF PLANNING AND M OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY AND SPACE. (SMT.VASUNDHARA RAJE)

(a)&(b): Yes, Sir. A new Voluntary Retirement Scheme for the Central Government employees declared surplus has been introduced vide Office Memorandum No.25013/6/2001-Estt.(A) dated 28th February, 2002 a copy of which is annexed. The scheme is applicable with immediate effect.

(c)&(d): The Expenditure Reforms Commission had, in its report, identified approximately 42,200 employees as surplus. So far 12,200 posts have been identified as surplus for abolition by various Ministries/Departments, on the basis of the Commission`s recommendations. As the new scheme is optional, it is not possible to indicate number of employees category-wise opting for VRS.

(e)&(f): The Scheme is applicable to the Central Government civilian employees governed by CCS (Pension) Rules and are declared surplus in any Ministry/Department.

(g): No, Sir.

(h): Does not arise in view of reply to (g) above.

Office Memorandum No. 25013/6/2001-Estt. (A) dated 28th February, 2002 referred to in reply to part (a)&(b) of the Lok Sabha Unstarred Question No. 1529 for 13.03.2002 regarding Voluntary Retirement Scheme No.25013/6/2001-Estt.(A)

Government of India
Ministry of Personnel, Public Grievances & Pensions
Department of Personnel & Training .
New Delhi, the 28th February, 2002

OFFICE MEMORANDUM

Sub: Special Voluntary Retirement Scheme for Surplus Central Government Employees.

The Expenditure Reforms Commission (ERC) set up by the Government of India has suggested a liberal Voluntary Retirement Scheme (VRS) for the employees declared surplus. This recommendation, contained in Commission`s second Report on `Optimising Government`s Staff Strength - Some General Issues` has been considered carefullyand the Central Government have decided to introduce a special Voluntary Retirement Scheme (VRS) as per details given in para 2 hereinunder for the permanent employees declared surplus in any Ministry/Department as a consequence of one or more of the following:-

(i) Implementation of decisions of the Cabinet regarding restructuring of Ministries/Departments;

(ii) Implementation of the recommendations of the Expenditure Reforms Commission;

(iii) Implementation of the decision of a Ministry/Department relating to downsizing/rightsizing including, inter alia, restructuring of an organization, transfer of an activity to a State Government, Public Sector Undertaking or other Autonomous Organisation, discontinuation of an ongoing activity and introduction of changes in technology; or

(iv) Implementation of work study reports undertaken by the Staff Inspection Unit of the Ministry of Finance or any other body set up by the Central Government or the Ministry/Department concerned.

2. The features of the Special VRS for the employees declared surplus are as under:-

(a) All permanent employees rendered surplus irrespective of their age and qualifying service can opt for the scheme.

(b) An optee of Special VRS will be entitled to receive an ex-gratia amount equal to basic pay plus dearness allowance for the number of days worked out on the basis of length of service @ 35 days for each completed year and 25 days for each remaining year. For any part of a year, the number of days, for ex-gratia amount, will be worked out on the basis of 365 days in a year. The ex-gratia amount will be further subject to the following conditions:

(i) total number of years to be counted for payment of ex-gratia will not exceed 33 years;

(ii) No weightage of additional service will be given for the purpose of calculation of ex-gratia;

(iii) The ex-gratia will be subject to a minimum of Rs.25,000/- or 250 days emoluments, whichever is higher;

(iv)The ex-gratia amount should not exceed the sum of the basic pay plus DA that the employee would draw at the prevailing level for the balance of the period of service left before superannuation;

(v) The ex-gratia amount will be paid in lump-sum;

(vi) The ex-gratia amount up to Rs.5.00 lakhs will be exempted from Income Tax;

(c) A weightage of five years to the qualifying service shall be given under CCS(Pension) Rules, 1972 to such permanent surplus employees who have rendered a minimum of 15 years of qualifying service on the date they are declared surplus. However, as provided in rule 29 of CCS (Pension) Rules, 1972, the qualifying length of service after taking into account the aforesaid weightage should not be more than the service he would have rendered had he retired on the date of his superannuation .

(d) Encashment of Earned Leave accumulated on the date of relief as per CCS(Leave)Rules, 1972;

(e) Payment of savings element with interest in the Central Government Employees Group Insurance Scheme as per rules;

(f) TA/DA as on retirement for self and family for settling anywhere in India as per Travelling Allowance Rules;

(g) Group `A` officials opting for thespecial VRS willbe exempted from the operation of rule 10 of the CCS (Pension) Rules which stipulates previous sanction of the Government for accepting commercial employment.

3. Payment of ex-gratia to the employees declared surplus and opting for the special VRS within the specified three months period will be over and above the normal retirement entitlements under CCS (Pension) Rules, 1972.

4. The order of voluntary retirement in each case should clearly stipulate that the surplus post held by the retiring incumbent will stand abolished from the date of his/her voluntary retirement.

5. The identification of surplus employees for the purpose of VRS would be guided by procedure given in Item 3 of Annexure-I under the heading `Steps for identification of Surplus staff` to the revised scheme of the disposal of personnel rendered surplus due to reduction of establishment in Central Government Department/Offices notified vide Circular No. 1/18/88-CS-III of DoPT dated 1s

April, 1989.

6. The permanent employees declared surplus will have to exercise option for special VRS within three months from the date he or she has been declared surplus in any Ministry/Department. Surplus employees presently on the Rolls of the Surplus Cell (Redesignated as the Division of Retraining and Redeployment) of the Department of Personnel & Training as on the date of this OM can also opt for special VRS within three months from this date.

7. In order to facilitate the maintenance of a close watch on the implementation of the scheme, all Ministries/Departments are required to submit quarterly returns to the Surplus Cell of Department of Personnel & Training that may be prescribed by that Cell.

8. Ministry of Finance, etc. are requested to give wide publicity to the contents of this O.M. to the employees declared surplus.

(Smt. Pratibha Mohan)
Director (E-II)
Tel.: 301 3180

To

All Ministries/Departments (As per standard list).